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SUBJECT: SEOUL - PRESS BULLETIN; April 20, 2009

TOP HEADLINES

Chosun Ilbo
Strengthening Domestic Demand is the Way for ROK Economy to Survive;
Heavy Dependence on Exports Might Lead ROK Economy to "Collapse"
Like Singapore's Economy Did

JoongAng Ilbo
No Cuts Seen in Scholarship Funding in This Economic Slump

Dong-a Ilbo, Seoul Shinmun
Prosecutors Accuse Former President Roh's Wife
of Lying in Bribe Case

Hankook Ilbo, Hankyoreh Shinmun, Segye Ilbo, All TVs
Two Koreas to Hold Talks about Kaesong Industrial Complex...
Inter-Korean Relations at a Critical Juncture

DOMESTIC DEVELOPMENTS

The two Koreas will meet tomorrow to discuss matters regarding the joint Kaesong Industrial Complex in the North. Pyongyang proposed the talks on April 18, saying that it has something important to say regarding the joint complex. (All)

Experts speculated that the North might use the meeting to threaten to shut down the industrial complex should Seoul join the U.S.-led Proliferation Security Initiative (PSI) aimed at interdicting the transfer of weapons of mass destruction. (All)

The Lee Myung-bak Administration once again delayed its announcement to join the PSI following the North's request for tomorrow's talks. President Lee reportedly accepted a request by Unification Minister Hyun In-taek to override the Foreign Ministry and postpone the announcement to join the PSI. (Chosun)

A spokesman for the General Staff of the North Korean People's Army, in an April 18 statement, stepped up its saber rattling against the ROK's joining of the PSI, arguing: "The Lee Myung-bak group of traitors must not forget that Seoul is only 50 kilometers away from the Military Demarcation Line." (All)

INTERNATIONAL NEWS

President Barack Obama offered a spirit of cooperation to America's neighbors in the western hemisphere at the April 18 Summit of the Americas in Port of Spain, Trinidad. Newspapers showed pictures of President Obama shaking hands with Venezuela's leftist leader and longtime U.S. critic, Hugo Chavez. (All)

MEDIA ANALYSIS

-North Korea

North Korea's April 18 proposal to hold inter-Korean talks tomorrow (April 21) regarding the joint Kaesong Industrial Complex in the North received wide coverage. Citing local experts, most of the ROK media speculated that North Korea might try to link the ROK's planned participation in the U.S.-led Proliferation Security Initiative (PSI), which is aimed at interdicting the transfer of weapons of mass destruction, with the fate of the Kaesong Industrial Complex.

In a related development, the ROK media took note of an April 18 statement by a spokesman of the General Staff of the North Korean People's Army that Seoul is just 50 kilometers away from the

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Military Demarcation Line. The ROK media viewed this remark as reminiscent of the North's 1994 threat: "Seoul is not far from here. If there is a war, it will become a sea of fire."

The ROK media also reported that the Lee Myung-bak Administration once again delayed its announcement to join the PSI following the North's request for tomorrow's talks. The media noted that it is the third time that Seoul has postponed the scheduled announcement as tensions between the two Koreas continue to grow over the North's recent rocket launch and the drawn-out detention of an ROK worker in the Kaesong Industrial Complex.

Conservative Chosun Ilbo editorialized: "North Korea's verbal provocations have reached their threshold and it is only a matter of time before the North puts those into action. The ROK and the U.S. should deter North Korea from moving toward that end. ... Regarding the issue of fully participating in the PSI, the ROKG should take a careful approach, while weighing the benefits of its full participation against the losses, instead of wavering in the face of North Korea's threats."

Conservative Dong-a Ilbo's editorial argued: "Since March of last year when North Korea prohibited ROK officials from crossing the border, (the North) has continuously used the Industrial Complex as a means to get its way in inter-Korean relations. If the North continues to stick to its hostile stance, the ROK needs to declare its intention to shut down the complex. If (North Korea's actions) cause damage to ROK companies and endanger ROK citizens, the complex should be shut down."

-Summit of the Americas

Most of the ROK media gave front-and inside-page play to the April 18 Summit of the Americas in Port of Spain, Trinidad, in which President Barack Obama offered a spirit of cooperation to America's neighbors in the hemisphere and showed pictures of President Obama shaking hands with Venezuela's leftist leader and longtime U.S. critic, Hugo Chavez.

In a related development, conservative Chosun Ilbo's front-page report summed up President Obama's foreign policy as follows: Washington will reconcile with countries that are willing to take America's "outstretched hands," but will take strong action against countries that reject the outstretched hands. To bear this out, the report, citing diplomatic sources in Washington, noted that the

Obama Administration is apparently getting angry with North Korea, in contrast to its conciliatory gestures toward other "rogue" states such as Cuba and Iran, because of the North's refusal to enter into dialogue (with the U.S.) following its rocket launch, as well as its expulsion of IAEA monitors and a State Department representative.

OPINIONS/EDITORIALS

HOLD FIRM AGAINST N. KOREA'S THREAT
(Dong-a Ilbo, April 20, 2009, Page 31)

To prevent the ROK from fully joining the Proliferation Security Initiative, North Korea offered last week to hold inter-Korean talks regarding a joint industrial complex in Kaesong while also revving up its bellicose rhetoric against the ROK Saturday. The communist country, which has detained a Hyundai Asan employee for 22 days, is now threatening military action against Seoul. Given the North's full offensive by combining the fate of the complex with the initiative, the possibility of Pyongyang acting on its threat cannot be ruled out. As such, the ROK must recognize the gravity of the situation and respond resolutely. By mobilizing its full capabilities in contingency management and responses, Seoul must prevent the Korean Peninsula from plunging into chaos through the North's provocation.

When the North made the proposal to hold talks Thursday, it chose Tuesday as the date. Pyongyang chose the date after Seoul delayed

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full participation in the initiative to Sunday from the originally scheduled date of April 15. After the North's offer, Seoul once again postponed its participation after the inter-Korean talks, though it denied that the postponement had anything to do with the talks. Seoul was being manipulated by Pyongyang, which saw right through the ROK's move.

The two Koreas will meet in Kaesong, but it's not clear whether their talks will result in the release of the detained employee. By detaining a South Korean, the North violated an inter-Korean agreement that guarantees the basic rights of employees in the joint complex. Furthermore, it has ignored the international practice of guaranteeing a detainee his or her right to make contact by refusing to accept the ROK's request for access to the employee. Pyongyang, however, allowed the U.S. to talk to two American journalists through the Swedish Embassy in Pyongyang. The detention of the Hyundai Asan employee clearly demonstrates that the North's slogan "Koreans Together" is empty rhetoric. The North is likely to turn the inter-Korean talks into a propagandistic event.

The delegation led by the ROK's Unification Ministry must speak out against the North's inhumane act and urge prompt release of the detainee. The delegation should also flatly reject the North's attempt to link the humanitarian issue to either the initiative or the complex.

Since March of last year when North Korea prohibited ROK officials from crossing the border, (the North) has continuously used the Industrial Complex as a means to get its way in inter-Korean relations. If the North continues to stick to its hostile stance, the ROK needs to declare its intention to shut down the complex. If (North Korea's actions) cause damage to ROK companies and endanger ROK citizens, the complex should be shut down.

Apparently, Seoul has delayed its full participation in the initiative twice so it does not further provoke Pyongyang. If the North continues to threaten the ROK, however, Seoul cannot continue to back off. What should not be repeated is the practice of previous left-leaning governments to gain nothing in exchange for giving everything to the North. North Korea must know that the Lee Myung-bak Administration is different from previous governments.

(This is a translation provided by the newspaper, and it is identical to the Korean version.)

North Korea on Sunday called UN condemnation of its rocket launch and the ROK's move to participate in the U.S.-led Proliferation Security Initiative a "declaration of war against us" and muttered ominously that Seoul is "only 50 km from the Demilitarized Zone." The North has resumed the blackmail it used during the first nuclear crisis in 1994, when it threatened to turn Seoul into "a sea of fire."

The North deploys some 1,000-odd 170 mm self-propelled guns and 240 mm multiple rocket launchers along the DMZ that have the Seoul metropolitan area within their range. The long-range guns are capable of firing between 7,000 and 16,000 shells per hour, according to the ROK military.

The Combined ROK and U.S. Forces are also capable of attacking all of North Korea the moment the North assaults the ROK with long-range guns. In that standoff, even verbal blackmail is dangerous, so Pyongyang is no longer tolerable.

The North claims the UN condemnation of its rocket launch and Seoul's plan to join the PSI threaten it. But the entire international community, Pyongyang allies China and Russia included, objected to the rocket launch. The UN Security Council adopted a chairman's statement, just a grade lower than a resolution, calling for sanctions. China and Russia agreed to the statement, which maps

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out a formula for enforcing sanctions set out in the Resolution 1718 of 2006. Before the North threatens to go to war with the ROK, it should ask its protector China why it agreed with the UNSC statement.

The assertion that the ROK's membership in the PSI constitutes a declaration of war is also preposterous. Pyongyang has no reason to fear the PSI if it does not export nuclear weapons and missiles or imports such items from abroad. The detention and search of North Korean vessels in ROK waters is already permitted under an inter-Korean agreement signed in August 2005.

Last Thursday, North Korea sent a message inviting a responsible ROK official to come to a meeting on Tuesday to hear an announcement on an "important matter" concerning the Kaesong Industrial Complex. The North could announce restrictions that would effectively close down the industrial park.

An ROK employee of Hyundai Asan, the operator of tour projects in North Korea, has been held incommunicado in the North for 21 days. A day after the government said last Wednesday that it would delay membership in the PSI, North Korea sent the message. Upon receiving it, the government postponed the announcement, planned for Saturday, again until after the inter-Korean meeting. The government is going back and forth in vital policies directly linked to our national security.

Pyongyang has resumed its grandstanding. It is threatening the Kaesong industrial park, from which it earns over US\$34 million a year, and ignores requests by the South Korean, who is held on spying charges, to see a lawyer, because the North can see that the confused ROK government can be blackmailed.

The government must look carefully at its North Korea policy and the Seoul-Washington alliance. North Korea's verbal provocations have reached their threshold and it is only a matter of time before the North puts those into action. The ROK and the U.S. should deter North Korea from moving toward that end and come up with specific countermeasures. Regarding the issue of fully participating in the PSI, the ROKG should take a careful approach, while weighing the benefits of its full participation against the losses, instead of wavering in the face of North Korea's threats.

(This is a translation provided by the newspaper, and it is identical to the Korean version.)

WHAT IS THE EFFECTIVE COUNTERMEASURE AGAINST NORTH KOREA'S
INCREASINGLY HARSH THREATS
(JoongAng Ilbo, April 20, 2009, Page 42)

North Korea's saber-rattling against the ROK is intensifying. However, the ROKG has limited options to counter these threats since North Korea has taken an ROK employee of the Kaesong Industrial Complex into custody. The ROKG has been milling about in confusion over becoming a full-fledged member of the Proliferation Security Initiative (PSI) aimed at preventing the spread of weapons of mass destruction. Against this backdrop, North Korea proposed on April 21 to hold an inter-Korean meeting for the first time (since the Lee Myung-bak Administration took office).

North Korea has ratcheted up its threats against the ROK over (the ROK's full participation in) the PSI. The Committee for Peaceful Unification of the Fatherland threatened to construe the ROK's full participation in the PSI as a "declaration of war." The General Staff of North Korea's Korean People's Army is even threatening military action against Seoul. The General Staff's bellicose statement that Seoul is just 50km away from the Military Demarcation Line (MDL) is reminiscent of North Korea's 'sea of fire' remark in 1993. North Korea seems to hint at its ability to attack Seoul while avoiding explicit rhetoric to create instability within ROK society and to divide public opinion.

North Korea's saber-rattling, which deserves condemnation, has been

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meticulously carried out. When the ROKG announced its plan to join the PSI ahead of the North's rocket launch, North Korea detained an ROK worker from the Kaesong Industrial Complex. After the rocket launch, North Korea (intentionally) leaked the news of the detention to the ROK and then proposed holding an inter-Korean meeting, causing the ROK to delay the ROK's PSI announcement. In relation to its PSI policy, the ROKG disregarded the unexpected "detention of the ROK worker". Related ministries such as the Foreign Ministry and Unification Ministry did not coordinate sufficiently and thoroughly on how North Korea might use this detention.

What matters is (what the ROK should do) after the inter-Korean talks. For now, it is hard to predict what stance North Korea will take during the inter-Korean talks. There are various forecasts ranging from an optimistic scenario of releasing the detained worker to a pessimistic one of shutting down the Kaesong Industrial Complex. However, it seems that North Korea will attempt to divide public opinion to block the ROKG from fully joining the PSI, thereby causing the ROKG difficulty. Therefore, the ROKG should thoroughly consider all possibilities to avoid running into this confusion again. First of all, the ROKG hopes to strategically adjust the timing of the announcement although it is fundamentally committed to fully joining the PSI. The ROKG should maintain this position even after April 21. Moreover, the ROKG should clarify its basic principle that the detention is a humanitarian issue and that the PSI participation is a matter of international cooperation. The ROKG's confusing message would once again spark public criticism.

No government can carry out an effective policy without public support. To win public support, the government should implement a strategic and thorough policy. At the moment, the detainment of the ROK worker and the PSI participation are pending issues. However, the ROKG should prepare an effective countermeasure against North Korea's security threats for the mid- and long term. If these tensions continue, it could lead to the closing of the Kaesong Industrial Complex and military skirmishes.

FEATURES

U.S. MAY PREFER FINANCIAL CONTRIBUTION TO TROOP DEPLOYMENT TO
AFGHANISTAN
(Seoul Shinmun, April 18, 2009, Page 2)

By Washington correspondent Kim Gyun-mi and reporters Lee Jong-lac and Kim Mi-gyeong

While the ROKG and the USG discuss ways to support Afghanistan, the U.S. (reportedly) made noteworthy remarks that it prefers the ROK to financially contribute about 100 million dollars (130 billion won) per year to its Afghanistan troop deployment. Concerned about negative domestic sentiment about a military deployment to Afghanistan, the ROKG is reviewing ways to provide financial support (to Afghanistan) as Japan does. This scenario, however, is also expected to kindle controversy. In a separate measure, the ROK agreed with the U.S. to provide conditional and unconditional aid worth 200 million dollars to Pakistan over four years.

On April 16, Grand National Party representative Hong, Jung-wook, who attended the 'Seoul-Washington Forum' organized by the Korea Foundation and the Brookings Institution held at the Brookings Institution in Washington, said that the problem is that mixed signals are coming from the U.S. He noted that U.S. Ambassador to the ROK Kathleen Stephens supposedly said that the U.S. may prefer (the ROK's) financial contribution, but that others say that the U.S. prefers troop deployment. Representative Hong added that from what he heard, the financial contribution would amount to 100 million dollars per year. Because the U.S. disclosed its preference for (the ROK's) financial contribution to its military dispatch for the first time and specifically set the amount at 100 million dollars per year, it is drawing attention. An annual expenditure of 100 million dollars is similar to the 134.8 billion to 152.8 billion won required for the ROK deployment to Iraq from 2004 to 2006 before

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the Zaytun unit was recalled.

During an April 17 phone call with Seoul Shinmun, a key Blue House official said low level discussions regarding a financial contribution worth 100 million to Afghanistan are ongoing. He added that these discussions have not gained momentum yet, but that such an option is being discussed. The official said that the ROKG is reviewing this issue but has not received an official request from the USG.

A high-ranking official at the Foreign Ministry said that during the Paris Donors' Conference in June last year, the ROKG announced its plan to provide an additional 30 million dollars to Afghanistan from this year to 2011. He added that the ROKG is seeking to expand the size of its aid and increase the number of Provincial Reconstruction Team (PRT) personnel.

Meanwhile, the ROKG decided to provide 200 million dollars of Official Development Assistance (ODA) from this year to 2012 to help reconstruction efforts in Pakistan in consultation with the ROK and U.S. The ROKG pledged to provide 180 million dollars through the Economic Development Cooperation Fund (EDCF) and 20 million dollars of conditional aid through the Korea International Cooperation Agency (KOICA).

STEPHENS